

City of Cunningham

Financial Statement

For the Year Ended December 31, 2012

ATC Accounting

City of Cunningham, Kansas
Financial Statement
For the Year Ended December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council
City of Cunningham
Cunningham, Kansas 67035

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Cunningham, Kansas, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Cunningham, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Cunningham, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Cunningham, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which we rendered as unqualified opinion dated May 8, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 1.

ATC Accounting

ATC Accounting

August 8, 2013

City of Cunningham, Kansas
Summary Statement of Receipts, Expenditures, and Encumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	\$ 28,093	\$ 214,589	\$ 184,878	\$ 57,804	\$ 5,870	\$ 63,674
SPECIAL PURPOSE FUNDS:						
Library	-	9,073	9,073	-	-	-
Employee Benefits	3,045	33,831	30,491	6,385	-	6,385
Special Highway	3,029	11,761	1,586	13,204	-	13,204
BOND AND INTEREST FUND:						
Bond and Interest	6,297	36,218	36,979	5,536	-	5,536
CAPITAL PROJECT FUNDS:						
Capital Improvement	349	88	-	437	-	437
Equipment Reserve	-	-	-	-	-	-
BUSINESS FUNDS:						
Water Utility	19,987	640,611	660,299	299	496,569	496,868
Sewer Utility	17,963	60,815	54,718	24,060	160	24,220
Total Reporting Entity	<u>\$ 78,763</u>	<u>\$ 1,006,986</u>	<u>\$ 978,024</u>	<u>\$ 107,725</u>	<u>\$ 502,599</u>	<u>\$ 610,324</u>
						Cash on Hand
						Checking Accounts
						<u>\$ 200</u>
						<u>610,124</u>
						Total Reporting Entity
						<u>\$ 610,324</u>

The notes to the financial statement are an integral part of this statement

City of Cunningham, Kansas
Notes to Financial Statement
December 31, 2012

1. – SUMMARY OF SIGNIFICAN ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of Cunningham is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Cunningham (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

(b) Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1st
- 2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was amended for the year 2012 primarily to increase expenses in the Water Utility Fund to accommodate the water project expenses.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The City is not aware of any non-compliance with Kansas Statutes.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$610,124 and the bank balance was \$618,383. The bank balance was held by 2 banks resulting in a concentration of credit risk. Of the bank balance \$250,072 was covered by federal depository insurance and the remaining \$268,311 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest/ Service Fees Paid
General Obligation Bond:									
Series 1997	5.6-5.65%	01/27/1997	\$ 374,000	08/01/2012	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 1,978
Series 2012	.50-2.20%	11/15/2012	550,000	12/01/2027	-	550,000	-	550,000	-
Capital Lease:									
Equipment Lease	4.105%	12/18/2011	42,825	12/18/2016	34,825	-	6,416	28,409	1,300
Total Contractual Indebtedness					\$ 69,825	\$ 550,000	\$ 41,416	\$ 578,409	\$ 3,278

Year	General Obligation Bond		Equipment Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 35,000	\$ 8,802	\$ 6,674	\$ 1,042	\$ 41,674	\$ 9,844
2014	35,000	8,253	6,953	763	41,953	9,016
2015	35,000	8,078	7,244	472	42,244	8,550
2016	35,000	7,745	7,538	175	42,538	7,920
2017	35,000	7,412	-	-	35,000	7,412
2018-2022	175,000	30,325	-	-	175,000	30,325
2023-2027	200,000	13,080	-	-	200,000	13,080
	<u>\$ 550,000</u>	<u>\$ 83,695</u>	<u>\$ 28,409</u>	<u>\$ 2,452</u>	<u>\$ 578,409</u>	<u>\$ 86,147</u>

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

The State of Kansas is required to contribute the statutory required employers share.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Compensated Absences

An employee is given one day sick leave for each month of employment. A total of thirty-six days sick leave can be accumulated. Part-time employees and temporary employees are not entitled to sick leave unless agreed to by the City Council. No sick leave exceeding two consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

(c) Other Employee Benefits

Vacation – All full-time employees of the City are entitled to paid vacation. After one full year of employment, employees are entitled to ten working days of paid vacation. At the end of fifteen years employment, employees are entitled to fifteen working days of paid vacation. After twenty years employment, employees are entitled to twenty days of paid vacation. Employees are not allowed to accumulate vacation from year to year. The vacation

time is paid at the employee's regular rate. Unused vacation pay will be paid to employees upon termination, if proper notice of resignation is given.

The cost of accumulated vacation leave is \$1,413 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - After a 90 day training period, an employee is given ten days sick leave plus 2 personal days each year of employment. A total of sixty days sick leave can be accumulated. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served. Upon termination or resignation, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

8. INTERFUND TRANSFERS

During 2012 no operating transfers were made.

9. RELATED PARTY TRANSACTIONS

David Steffen, City Clerk, is an owner of the Cunningham Courier, a newspaper in the city. Chris Schaller, City Council, is a partner in Flatworks Specialist, a concrete company. Aaron Murphy, City Council, is the assistant manager at Cairo Co-op. The City conducted business with all three businesses and paid them \$2,116, \$500, and \$2,144, respectively for services or products.

10. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

CITY OF CUNNINGHAM, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

City of Cunningham, Kansas
Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2012

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 241,949	\$ -	\$ 241,949	\$ 184,878	\$ (57,071)
SPECIAL PURPOSE FUNDS:					
Library	9,400	-	9,400	9,073	(327)
Employee Benefits	33,701	-	33,701	30,491	(3,210)
Special Highway	17,198	-	17,198	1,586	(15,612)
BOND AND INTEREST FUND:					
Bond and Interest	36,979	-	36,979	36,979	-
CAPITAL PROJECT FUNDS:					
Capital Improvements **	65,000	-	65,000	-	(65,000)
Equipment Reserve **	17,363	-	17,363	-	(17,363)
BUSINESS FUNDS:					
Water Utility	660,299	-	660,299	660,299	-
Sewer Utility	71,492	-	71,492	54,718	(16,774)

** Capital Funds are not required to be a budgeted fund.

City of Cunningham, Kansas
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 65,567	\$ 76,297	\$ 80,810	\$ (4,513)
Delinquent Tax	2,193	4,353	5,000	(647)
Motor Vehicle Tax	17,653	17,962	12,445	5,517
Recreational Vehicle Tax	399	383	332	51
16/20M Vehicle Tax	153	151	19	132
Franchise Fees	20,135	18,902	18,500	402
Local Sales Tax	7,588	47,582	46,000	1,582
Licenses and Permits	525	489	2,400	(1,911)
Charges for Services – Swimming Pool	5,866	6,350	6,350	-
Grants and Donations	2,860	8,743	8,000	743
Interest on Idle Funds	54	32	-	32
Reimbursements	3,419	3,456	-	3,456
Miscellaneous Receipts	2,942	1,337	5,000	(3,663)
Fire Protection	21,233	21,665	29,000	(7,335)
Fire Department Grants and Donations	6,558	6,887	-	6,887
Sale of Assets	4,476	-	-	-
Total Receipts	161,621	214,589	\$ 213,856	\$ 733
Expenditures				
Salaries and Wages	28,936	44,995	\$ 42,000	\$ 2,995
Administrative	13,011	14,075	15,000	(925)
Utilities	14,682	13,030	16,000	(2,970)
Insurance	3,984	8,378	6,100	2,278
Planning and Zoning	104	237	1,500	(1,263)
Animal Control	-	2,925	3,000	(75)
Trees, Parks, Recreation	6,265	5,879	6,000	(121)
Swimming Pool	21,988	23,565	26,000	(2,435)
Dues and Donations	3,665	6,305	6,500	(195)
Fuel	4,856	4,423	6,000	(1,577)
Demolition and Solid Waste	-	8,382	8,500	(118)
Streets and Sidewalks	9,988	1,283	10,000	(8,717)
Maintenance and Repairs	8,110	4,182	10,000	(5,818)
Fire Department Expenses	16,566	41,392	42,000	(608)
Neighborhood Revitalization Rebate	3,418	-	2	(2)
Miscellaneous	5,076	2,711	8,347	(5,636)

City of Cunningham, Kansas
 General Fund (Cont)
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Capital Outlay	5,771	3,116	-	3,116
Transfer to Capital Improvements	-	-	20,000	(20,000)
Transfer to Equipment Reserve	-	-	15,000	(15,000)
Total Expenditures	146,420	184,878	\$ 241,949	\$ (57,071)
Receipts Over (Under) Expenditures	15,201	29,711		
Unencumbered Cash , January 1	12,892	28,093		
Unencumbered Cash, December 31	\$ 28,093	\$ 57,804		

City of Cunningham, Kansas
Library Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 6,887	\$ 6,781	\$ 7,203	\$ (422)
Delinquent Tax	212	420	216	204
Motor Vehicle Tax	1,573	1,820	1,310	510
Recreational Vehicle Tax	36	39	35	4
16/20M Vehicle Tax	14	13	2	11
Interest on Idle Funds	-	-	634	(634)
Total Receipts	8,722	9,073	\$ 9,400	\$ (327)
Expenditures				
Contractual Services	8,362	9,073	\$ 9,400	\$ (327)
Neighborhood Revitalization Rebate	360		-	-
Total Expenditures	8,722	9,073	\$ 9,400	\$ (327)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, January 1	-	-		
Unencumbered Cash, December 31	\$ -	\$ -		

City of Cunningham, Kansas
Employee Benefit Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 24,343	\$ 25,461	\$ 27,046	\$ (1,585)
Delinquent Tax	717	1,481	811	670
Motor Vehicle Tax	6,460	6,690	4,632	2,058
Recreational Vehicle Tax	146	143	123	20
16/20M Vehicle Tax	51	56	7	49
Total Receipts	31,717	33,831	\$ 32,619	\$ 1,212
Expenditures				
Social Security and Medicare	8,225	7,735	\$ 10,000	\$ (2,265)
Insurance	18,530	14,443	17,000	(2,557)
KPERS	4,841	8,063	5,500	2,563
Unemployment	383	250	900	(650)
Neighborhood Revitalization Rebate	1,273	-	1	(1)
Miscellaneous	-	-	300	(300)
Total Expenditures	33,252	30,491	\$ 33,701	\$ (3,210)
Receipts Over (Under) Expenditures	(1,535)	3,340		
Unencumbered Cash, January 1	4,580	3,045		
Unencumbered Cash, December 31	\$ 3,045	\$ 6,385		

City of Cunningham, Kansas
Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Highway Tax	\$ 11,718	\$ 11,761	\$ 12,370	\$ (609)
Expenditures				
Street Repair	18,577	1,586	\$ 17,198	\$ (15,612)
Receipts Over (Under) Expenditures	(6,859)	10,175		
Unencumbered Cash, January 1	9,888	3,029		
Unencumbered Cash, December 31	\$ 3,029	\$ 13,204		

City of Cunningham, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 31,810	\$ 26,439	\$ 27,028	\$ (589)
Delinquent Tax	922	1,776	811	965
Motor Vehicle Tax	5,676	7,752	5,880	1,872
Recreational Vehicle Tax	128	165	157	8
16/20M Vehicle Tax	65	45	9	36
Interest on Idle Funds	54	41	40	1
Total Receipts	38,655	36,218	\$ 33,925	\$ 2,293
Expenditures				
Bond Principal Payments	36,972	35,000	\$ 35,000	\$ -
Bond Interest Payments	-	1,979	1,978	1
Neighborhood Revitalization Rebate	1,615	-	1	(1)
Total Expenditures	38,587	36,979	\$ 36,979	\$ -
Receipts Over (Under) Expenditures	68	(761)		
Unencumbered Cash, January 1	6,229	6,297		
Unencumbered Cash, December 31	\$ 6,297	\$ 5,536		

City of Cunningham, Kansas
 Capital Improvement Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Interest on Idle Funds	\$ 115	\$ 88	\$ -	\$ 88
Transfer - General	-	-	10,000	(10,000)
Transfer – Water	-	-	15,000	(15,000)
Transfer - Sewer	-	-	10,000	(10,000)
Total Receipts	115	88	\$ 35,000	\$ (34,912)
Expenditures				
Equipment	-	-	\$ 10,000	\$ (10,000)
Streets and Sidewalks	-	-	5,000	(5,000)
Park Improvements	4,500	-	-	-
Water Improvements – Lease Payments	4,375	-	30,000	(30,000)
Sewer Improvements – Lease Payments	4,374	-	20,000	(20,000)
Total Expenditures	13,249	-	\$ 65,000	\$ (65,000)
Receipts Over (Under) Expenditures	(13,134)	88		
Unencumbered Cash, January 1	13,483	349		
Unencumbered Cash, December 31	\$ 349	\$ 437		

City of Cunningham, Kansas
Equipment Reserve Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012			Variance
	Actual	Actual	Budget		Over (Under)
Receipts					
Transfer - General	\$ -	\$ -	\$ 5,000	\$ (5,000)	
Expenditures					
Construction	-	-	\$ 17,363	\$ (17,363)	
Receipts Over (Under) Expenditures	-	-			
Unencumbered Cash, January 1	-	-			
Unencumbered Cash, December 31	\$ -	\$ -			

City of Cunningham, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 87,886	\$ 96,798	\$ 96,500	\$ 298
Bond Receipts	-	543,813	543,812	1
Total Receipts	87,886	640,611	\$ 640,312	\$ 299
Expenditures				
Salaries and Wages	29,175	27,879	\$ 26,000	\$ 1,879
Employee Benefits	6,054	1,387	4,500	(3,113)
Administration	6,272	24,623	18,000	6,623
Analytical Fees	521	3,303	1,250	2,053
Utilities	4,707	4,752	6,000	(1,248)
Insurance	-	-	2,000	(2,000)
Tank/Tower Maintenance	3,006	-	-	-
Contracted Services	9,300	22,391	16,500	5,891
Maintenance	20,400	86,442	20,000	66,442
Sales Tax	880	1,413	1,500	(87)
Water Production	1,879	3,060	2,400	660
Chemicals	1,550	1,644	2,250	(606)
Miscellaneous	275	623	1,087	(464)
Capital Outlay	1,000	482,782	543,812	(61,030)
Transfer – Water Reserve	-	-	15,000	(15,000)
Total Expenditures	85,019	660,299	\$ 660,299	\$ -
Receipts Over (Under) Expenditures	2,867	(19,688)		
Unencumbered Cash, January 1	17,120	19,987		
Unencumbered Cash, December 31	\$ 19,987	\$ 299		

City of Cunningham, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 56,427	\$ 60,815	\$ 60,500	\$ 315
Expenditures				
Salaries and Wages	29,175	27,940	\$ 28,000	\$ (60)
Employee Benefits	6,054	5,510	8,500	(2,990)
Administration	6,108	4,793	3,000	1,793
Utilities	1,001	625	1,200	(575)
Analytical Fees	300	157	750	(593)
Insurance	-	-	2,000	(2,000)
Chemicals	365	-	-	-
Contracted Services	8,919	445	9,000	(8,555)
Maintenance	5,089	11,520	8,000	3,520
Miscellaneous	545	1,129	1,042	87
Capital Outlay	1,000	2,599	-	2,599
Transfer – Capital Improvements	-	-	10,000	(10,000)
Total Expenditures	58,556	54,718	\$ 71,492	\$ (16,774)
Receipts Over (Under) Expenditures	(2,129)	6,097		
Unencumbered Cash, January 1	20,092	17,963		
Unencumbered Cash, December 31	\$ 17,963	\$ 24,060		